



## **Reacquisition of Baton Rouge and New Orleans Franchise**

### **Water Intelligence Added to the MSCI World, European and UK Micro Cap Indices**

Water Intelligence plc (AIM: WATR.L) (“Water Intelligence” or “Company”), a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water is pleased to announce it has entered into an agreement to reacquire its franchise operation that encompasses the cities of Baton Rouge and New Orleans, Louisiana (“Louisiana”) within the Group’s American Leak Detection subsidiary (“ALD”). Baton Rouge is the state’s capital and New Orleans is the state’s most populous city. Closing is scheduled for prior to year-end.

Strategically, the Louisiana reacquisition will enable ALD to form a strategic operational center in the southern part of the United States from which to support the growth of franchise and corporate locations.

Financially, for full-year 2019 the Louisiana franchise generated approximately \$1.1 million in sales and \$0.3 million in pre-tax profits. It is on track to exceed those results for both sales and profits for 2020 despite Covid-19 restrictions. The purchase price for the reacquisition is \$1.77 million (which includes all assets to conduct operations (trucks, equipment)) to be paid over four years. The Louisiana franchisee leadership team will remain in place to run the operation for ALD as members of the corporate team.

Today’s reacquisition is another milestone to accelerate the growth of the Company in 2021 and beyond. 4Q, much like 3Q, has been marked by strong results. Water Intelligence launched this quarter with a fundraising to fuel accelerated growth. Today’s reacquisition puts some of this capital to work in accretive fashion. It also follows two insurance channel wins during October that will feed organic growth for the whole ALD system.

Despite the disruptions of Covid-19, the Group continues to grow strongly at both top-line and bottom-lines. ALD is an “essential service provider” and provides consumers with solutions to water infrastructure issues while they “shelter in place.”

The Company also announces that it has been added to the MSCI World Micro Cap Index and other associated indices, such as the MSCI Europe Micro Cap and the MSCI UK Micro Cap.

Executive Chairman, Dr. Patrick DeSouza commented: “We are planning on finishing 2020 in very strong fashion. Each quarter this year, we have challenged ourselves to exceed the previous

quarter in terms of performance despite the challenges presented by Covid-19. We provide valuable solutions for water and wastewater infrastructure and seek to help lead efforts for the Green Economy.

We are also pleased that building on the Green Economy Mark which we received from the London Stock Exchange in 3Q, we have now been added to the MSCI World Micro Cap Index and other MSCI indices. We look forward to the process of building a valuable company.”

*The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014*

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